

Results of the AGOA Country Review for 2003 Eligibility

On December 31, 2002, President Bush approved the continued designation of the following 36 sub-Saharan African countries as eligible for tariff preferences under AGOA: Benin; Botswana; Cameroon; Cape Verde; Central African Republic; Chad; Republic of the Congo; Cote d'Ivoire; Djibouti; Eritrea; Ethiopia; Gabon; Ghana; Guinea; Guinea-Bissau; Kenya; Lesotho; Madagascar; Malawi; Mali; Mauritania; Mauritius; Mozambique; Namibia; Niger; Nigeria; Rwanda; Sao Tome and Principe; Senegal; Seychelles; Sierra Leone; South Africa; Swaziland; Tanzania; Uganda; and Zambia. The President further determined that The Gambia and the Democratic Republic of the Congo (DROC) should be designated as AGOA beneficiary countries.

As in past reviews, the U.S. Government engaged throughout the year in consultations with several African governments regarding AGOA's eligibility criteria. These consultations included exchanges of letters, formal bilateral meetings, and high-level discussions with African governments to discuss specific AGOA eligibility concerns identified during the annual review process. As a result of this year's eligibility review, the United States has expressed strong concerns to the Government of Eritrea regarding their lack of progress on governance and respect for basic human rights.

The Democratic Republic of the Congo (DROC)

DROC was added to the eligibility list with delayed implementation of AGOA's duty-free trade benefits. DROC made noteworthy progress in implementing economic reforms and recently signed a peace agreement. DROC's duty-free AGOA benefits will be activated when a transitional government is formed. The delayed implementation will permit DROC to participate in AGOA-related activities, including the AGOA Forum and trade capacity building programs, while DROC establishes a transitional government and makes additional progress in implementing political reforms.

Eritrea

The United States is seriously concerned about Eritrea's lack of progress towards establishing a market-based economy, political reforms, labor rights, and human rights. The United States is concerned about Eritrea's crackdown on political dissidents, closure of the independent media, and the arrest and detention without charges of journalists, political dissidents, editors, publishers, and the 13-month detainment of two senior Foreign Service National employees of the U.S. Embassy in Asmara. These concerns were raised during the 2001 country eligibility review, and have not been sufficiently addressed in the interim. After an extensive evaluation, the United States sent a letter to the Government of Eritrea in December 2002 explicitly indicating that the Government of Eritrea must demonstrate progress toward meeting AGOA's eligibility criteria by June 2003. If no progress can be demonstrated within that period, Eritrea may be designated as ineligible for AGOA benefits. If this designation were to occur, Eritrea's ineligibility would become effective in January 2004.

The Gambia

After an extensive review, President Bush has designated The Gambia as eligible for

AGOA's benefits. The Gambia demonstrated significant progress in implementing political reforms, recognizing basic human rights, and favorably addressing allegations of complicity in the illicit trade in conflict diamonds. The Gambia's progress includes holding multi-party presidential, legislative, and local elections; qualifying for the HIPC initiative and making significant progress in meeting performance targets; proceeding successfully with privatization and deregulation plans; making substantial improvements in social infrastructure and implementing an IMF Poverty Reduction and Growth facility; and ratifying ILO convention 182 on the worst forms of child labor.

The Annual Country Eligibility Process

The President's determination was a result of an extensive Trade Policy Staff Committee (TPSC) review process, chaired by the United States Trade Representative. The TPSC makes recommendations to the President regarding which countries are eligible for designation as AGOA beneficiaries, based on a review of each country's progress in meeting AGOA's eligibility criteria. The criteria reflect "best practice" policies that will ultimately help to attract trade and investment and foster broadly-shared prosperity. Countries may be added or withdrawn from the list of beneficiary countries during this annual review. Through this process, country-specific issues and areas of concern are identified.

The AGOA eligibility process is a vehicle to, inter alia, review progress on economic reform, internationally-recognized worker rights, human rights, anti-corruption actions, intellectual property protection, and initiatives to eliminate the worst forms of child labor in sub-Saharan Africa. The designation of AGOA beneficiary countries is based on the results of countries' progress and efforts in these and other areas. The following 7 countries were found to not have met AGOA's eligibility requirements and are not therefore eligible to receive AGOA benefits: Angola, Burkina Faso, Burundi, Equatorial Guinea, Liberia, Togo, and Zimbabwe. Three countries, and Comoros, Sudan, and Somalia were not reviewed because they did not formally request AGOA benefits, as required by the Act.